

**Town Council Minutes
Morehead City, North Carolina**

Tuesday, September 9, 2014

The Honorable Council of the Town of Morehead City met in Regular Session on Tuesday, September 9, 2014, at 5:30 p.m., in the Municipal Chambers located at 202 South 8th Street, Morehead City, North Carolina. Those in attendance were:

MAYOR:	Gerald A. Jones, Jr.
MAYOR PRO-TEM:	George W. Ballou
COUNCIL:	William F. Taylor
	Demus L. Thompson
	Harvey N. Walker, Jr., Absent
	Diane C. Warrender
CITY MANAGER:	David S. Whitlow
CITY CLERK:	Jeanne M. Giblin
CITY ATTORNEY'S OFFICE:	Nelson W. Taylor, III; Derek Taylor; Mike Thomas
OTHERS:	Fire/EMS Chief Jamie Fulk, Daniel Williams, Holly Fletcher, Sandy Bell, Keri McCann, Haywood Wilder, Tom Kies, Laura Murphy, Samer Hamad, Beth Atkins, Chuck Sewell, Jane Sewell, Alyn Lasko, Barry McCrory, Linda Howard, Eric Remington, Chase Flowers, Victoria Killmon, Sandy Bell, Eric Broyles, Mark Hibbs, Reporter, THE CARTERET NEWS TIMES and several others

I. Regular Meeting Call to Order, Invocation and Pledge of Allegiance

Mayor Jones called the meeting to order at 5:30 p.m. Councilman Thompson gave the invocation and all joined in The Pledge of Allegiance.

Mayor Jones announced that Councilman Harvey Walker would be absent from this meeting.

II. Special Presentations

II.A. "Fizz, Boom, Read!" Webb Memorial Library Staff

Librarian Sandy Bell introduced Laura Murphy, Children's Program Coordinator, who reported that the Webb Memorial Library Summer Reading Program for Children was all about science this year. There were 170 children from the ages of 2 to 15 years old signed up for the program in which participants had to complete 15 hours of reading, ten [10] specific activities and compose a short story to accomplish the entire program. A prize was given for each activity completed. Ms. Murphy and Ms. Bell gave a demonstration of a scientific activity and thanked the 15 teen volunteers who contributed their time and the many sponsors who made this year's program a success.

II.B. Mayor's Proclamation In Support Of Carteret Literacy Council's 13th Annual Spelling Bee

This is the 13th year of the Carteret Literacy Council's Annual Literacy Spelling Bee. The event will be held on Friday, October 17, 2014, at 6:00 p.m., at The History Place at 1008 Arendell Street in Morehead City. The Literacy Council is a non-profit organization, founded in 1984, to provide free one-on-one tutoring through trained volunteers to adults, out of school youth, high school, middle school and elementary school students. Mayor Jones presented Mr. Alyn Lasko the proclamation which he received on behalf of the Literacy Council. Mr. Lasko thanked the Council for their support and noted that the Carteret Literacy Council has been in existence for 26 years.

III. Adoption of the CONSENT AGENDA

III.A. Approval of Minutes: Tuesday, August 12, 2014 – Regular Meeting

Approved the minutes of Tuesday, August 12, 2014, Regular Meeting and dispensed with the reading.

III.B. Approve the Requests for Release of Overpayment of Ad Valorem Taxes for August 2014, in the amount of \$49.23; and Accept the Tax Collector and Finance Director Reports for August 2014

Approved the requests for release of overpayment of ad valorem taxes for August, 2014, in the amount of \$49.23; and accepted the Tax Collector and Finance Director Reports for August 2014. [The Financial Reports are attached to and made a part of these minutes herein by reference.]

III.C. Voluntary Contiguous Annexation Request for Williams Family Properties, LLC [Al Williams] for property located at 5192 Highway 70, .64 acres, PIN #6356-1287-1208-000 and Part Lot 41 Lot 43 Industrial Park, .133 acres, PIN #6356-1287-0422-000 – Adopt Resolution 2014-37 Directing the Clerk to Investigate the Petition and Resolution 2014-38 Setting the date of the Public Hearing for Monday, October 20, 2014 at 5:30 p.m.

The properties under consideration for annexation are contiguous to the present City limits, contain approximately 0.77 acres and are zoned CH [Highway Commercial] District. The current tax value is estimated to be \$359,587. Based on a \$0.33 tax rate, \$1,186.63 in tax revenues would be generated. Water and sewer will be accessed from Highway 70 and Industrial Drive. All costs associated with extending the water/sewer service to the newly annexed property will be the responsibility of the owner.

Adopted Resolution 2014-37 Directing the Clerk to Investigate the Petition and Resolution 2014-38 Setting the date of the Public Hearing for Monday, October 20, 2014 at 5:30 p.m. for Voluntary Contiguous Annexation Request for Williams Family Properties, LLC [Al Williams] for property located at 5192 Highway 70, .64 acres, PIN #6356-1287-1208-000 and Part Lot 41 Lot 43 Industrial Park, .133 acres, PIN #6356-1287-0422-000. [Resolution 2014-37 and Resolution 2014-38 are attached to and made a part of these minutes herein by reference.]

III.D. Adopt Resolution 2014-39 Opposing the National Park Service's Draft Off-Road Management Plan and Environmental Impact Statement for Cape Lookout National Seashore

The proposed Off-Road Management Plan and Environmental Impact Statement aims to put specific numbers to off-road vehicles, specify where they can travel, formally set speed limits and set seasons when they can travel on the seashore. Visitors to the park are an economic impact to Morehead City and the surrounding areas. The Carteret County Board of Commissioners adopted a similar resolution on August 18, 2014.

Adopted Resolution 2014-39 Opposing the National Park Service's Draft Off-Road Management Plan and Environmental Impact Statement for Cape Lookout National Seashore. [Resolution 2014-39 is attached to and made a part of these minutes herein by reference.]

III.E. Approve Extension of the Morehead Docks [Jaycee Park] Marina Management Agreement with Denard Harris of Portside Marina for an Additional Two [2] Years

At the last Public Works Committee of the Council meeting a proposed extension of the Morehead Docks (Jaycee Park) Marina Management Agreement was reviewed and discussed. The current agreement is with Denard Harris, Portside Marina and expires October 31 of this year. The proposal extends the agreement's term for an additional two [2] years. It also provides for additional one [1] or two [2] year extensions. Other terms remain the same including the rate of compensation.

After discussion, the Committee recommended to extend the current Marina Management Agreement with Denard Harris of Portside Marina for an additional two [2] years.

Approved the Extension of the Morehead Docks [Jaycee Park] Marina Management Agreement with Denard Harris of Portside Marina for an additional two [2] years with the terms remaining the same as the current agreement. [The agreement is attached to and made a part of these minutes herein by reference.]

III.F. Approve Authorization for City Staff to Negotiate a Contract with McDavid and Associates of Farmville, N.C. for Planning and Design of the Arendell Street Sidewalk Project from North 25th to North 35th Streets

On August 18, 2014, the Public Works Department requested proposals from firms interested in providing services necessary to plan and design a sidewalk along the north side of Arendell Street from the Camp Glen School to North 25th Street where a sidewalk exists in the 2400 Block of Arendell Street. The project is funded largely through a grant from NCDOT [North Carolina Department of Transportation].

Proposals were received from McDavid and Associates of Farmville, N.C. and Rivers and Associates from Greenville, N.C. Both proposals were evaluated and graded according to the outline provided in the request for proposals with McDavid's proposal scoring highest. The planning and design services related to the sidewalk project were reviewed by the Public Works Committee of the Council.

The Committee recommended the authorization for staff to begin negotiating a contract with McDavid and Associates for the design of the Arendell Street sidewalk project from North 25th to North 35th Streets.

Approved the Authorization for City Staff to negotiate a contract with McDavid and Associates of Farmville, N.C. for planning and design of the Arendell Street Sidewalk Project from North 25th to North 35th Streets.

III.G. Approve FEMA [Federal Emergency Management Act] Community Rating System Annual Progress Report

The Town of Morehead City has been an active participant in the FEMA [Federal Emergency Management Act] Community Rating System for a number of years. As a result, City residents who have properties located within the flood zone get a 10 percent reduction in their flood insurance premiums. The Annual Progress Report for the Flood Plain Management Plan is attached.

Approved the FEMA [Federal Emergency Management Act] Community Rating System Annual Progress Report. [The FEMA Report is attached to and made a part of these minutes herein by reference.]

III.H. Award Contract #82 – Tootle Road Well Raw Water Line to the Low Bidder, Herring-Rivenbark, Inc. in the Amount of \$552,292.12

The following bids were received August 26, 2014, for Contract #82—Tootle Road Well Raw Water Line:

Herring-Rivenbark, Inc.	\$	552,292.12
Thomas Simpson Construction	\$	573,508.74
Wells Brothers	\$	699,016.00
Ralph Hodge Construction	\$	758,710.00
Sunland Builders	\$	807,343.00
Cieszko Construction	\$	878,822.00

City Engineer, F. Tyndall Lewis, recommended the award of the bid to Herring-Rivenbark, Inc. in the amount of \$552,292.12 subject to United States Department of Agriculture [USDA] approval. The USDA project budget includes the funds for the work which is derived from the same funding the City used to build the water plants. The Public Utilities Committee of the Council recommended awarding the contract to the low bidder.

Awarded Contract #82 – Tootle Road Well Raw Water Line to the low bidder, Herring-Rivenbark, Inc. in the amount of \$552,292.12 subject to United States Department of Agriculture [USDA] approval.

III.I. Adopt Resolution 2014-40 for Morehead City to Participate in the North Carolina Governor's Highway Safety Program in the Amount of \$7,350 with a Local Match of \$2,450 and to Adopt Budget Ordinance Amendment 2014-35 to Allocate the Funding for the Program

The Morehead City Police Department requested approval to submit an application for the North Carolina Governor's Highway Safety Program in order to acquire two [2] display pole mounted signs. The federal amount of the grant is \$7,350 with a local match of \$2,450 from Morehead City. The Police Department has participated in the past in this program with excellent results. The Public Safety Committee reviewed the request and recommended approval.

The purpose of Budget Ordinance Amendment 2014-35 is to adjust the budget as follows:

- ⑤ To recognize \$7,350 Governors' Highway Safety Program 2014 grant funding and to increase expenditures in the Police Department \$9,800 related to this grant.
- ⑤ To reduce Contingency \$2,450 to provide for the Town's 25 percent match related to the above reported grant.

Adopted Resolution 2014-40 for Morehead City to participate in the North Carolina Governor's Highway Safety Program in the amount of \$7,350 with a Local Match of \$2,450 and adopted Budget Ordinance Amendment 2014-35 to allocate the funding for the program. [Resolution 2014-40 is attached to and made a part of these minutes herein by reference, Budget Ordinance 2014-35 is attached to Ordinance Book #7 in the vault.]

Councilman Taylor MOVED, seconded by Councilman Thompson, and carried unanimously [Councilman Walker absent], to adopt the CONSENT AGENDA with one [1] motion.

IV. Public Hearing: Voluntary Contiguous Annexation Request for Keith and Mary Fowler for property located at 4503 Country Club Road, PIN #6366-1176-0045-000, 0.46 acres, Zoned R-20 [Single Family Residential] District – Adopt Ordinance 2014-30

Planning Director Linda Staab reported that the property under consideration for annexation (6366-1176-0045-000) is contiguous to the present city limits, contains approximately 0.46 acre and is zoned R20 (Single-Family Residential District). The site in question is not part of a subdivision, and therefore will not fragment a subdivision. The current tax value of the property is estimated to be \$89,675. Based on a 33-cent [\$0.33] tax rate, \$295.93 in tax revenues would be generated. Water and sewer will be accessed from Country Club Road. All costs associated with extending the water/sewer service to the newly annexed property will be the responsibility of the owner. The Planning Committee of the Council recommended the adoption of Ordinance 2014-30.

Mayor Jones opened the public hearing. No one spoke for or against the proposed annexation.

Mayor Jones closed the public hearing.

Councilman Thompson MOVED, seconded by Councilwoman Warrender, and carried unanimously [Councilman Walker absent], to adopt Ordinance 2014-30 granting voluntary contiguous annexation to Keith and Mary Fowler for property located at 4503 Country Club Road, PIN #6366-1176-0045-000, 0.46 acres, zoned R-20 [Single Family Residential] District. [Ordinance 2014-30 is attached to Ordinance Book #7 in the vault.]

V. Unfinished Business: Adopt Ordinance 2014-29 and Resolution 2014-32 of the Council of the Town of Morehead City, N.C. to Amend Articles 2-2 and 11-3 of the Unified Development Ordinance [UDO] to Add a New Definition for "Condominium Hotel/Condotel" and to Add the Use as a Permitted Use in the Office and Professional [O & P] District [Second Vote]

Mayor Jones reported that at the August 12, 2014, Council Meeting numerous individuals made comments regarding the request. The Council also discussed the various merits of permitted use versus special use. Councilman Taylor made the motion, seconded by Councilwoman Warrender, to adopt Ordinance 2014-29 and Resolution 2014-32 of the Town of Morehead City to amend Articles 2-2 and 11-3 of the Unified Development Ordinance [UDO] to add a new definition for "Condominium Hotel/Condotel"

and to add the use as a “Permitted Use” in the Office and Professional [O & P] District. Councilman Thompson, Councilman Taylor and Councilwoman Warrender voted affirmative with Councilman Ballou and Councilman Walker voting opposed. The motion to approve this land use change required a super majority in order to be adopted, hence the request was again presented at this time with only a simple majority being needed for passage.

Councilman Taylor MOVED, to adopt Ordinance 2014-29 and Resolution 2014-32 of the Council of the Town of Morehead City, N.C. to Amend Articles 2-2 and 11-3 of the Unified Development Ordinance [UDO] to add a new definition for “Condominium Hotel/Condotel” and to add as a Permitted Use in the Office and Professional [O & P] District.

Mayor Jones opened the floor for Council discussion.

Councilman Ballou stated that he hoped to clarify his vote at the last meeting with the following explanation: *“First I am not against a hotel or progress in our downtown. I think my record will reflect that. With my years of experience serving on the Planning Board and now as your elected official, I have and will continue to look for the best decisions for our City.*

Last meeting night and tonight the Council was being asked to amend our Zoning Ordinance to allow a condotel in the O & P District. Last meeting I thought it was best and voted to agree with our Planning Board to allow a condotel as a Special Use. I was not voting against progress downtown or a hotel downtown, but the procedure allowing a condotel in the O & P District. This ordinance change does not only affect Harborview, but all of the O & P District city-wide. There is not a person in this room if your neighborhood or your property adjoined the O & P District would not want all layers of review and all eyes on the ball moving forward with a condotel being proposed in your backyard.

We as a City use Special Use Zoning and Conditional Use Zoning all the time as procedures and conditions to protect your property rights. I thought the best decision for this proposal was Special Use. I do not think that is voting against the condotel, but the way or procedure of how we got there. The majority of the Council voted to allow condotel as a Permitted Use, can I live with Permitted Use? I can. Do I think it the best procedure to get there? No. But I can agree to disagree to move us forward!”

Councilman Thompson requested clarification from the City Attorney as it relates to parking stating that the applicants had assured him that they had the necessary parking without question.

City Attorney Derek Taylor further clarified that the motion provided that two [2] parking spaces were necessary for the project so the ordinance that was proposed would set the standard of two [2] parking spaces per unit for this project.

Councilman Taylor MOVED, seconded by Councilwoman Warrender, and carried unanimously, [Councilman Walker absent] to adopt Ordinance 2014-29 and Resolution 2014-32 of the Council of the Town of Morehead City, N.C. to Amend Articles 2-2 and 11-3 of the Unified Development Ordinance [UDO] to add a new definition for “Condominium Hotel/Condotel” and to add as a Permitted Use in the Office and Professional [O & P] District. [Resolution 2014-32 is attached to and made a part of these minutes herein by reference. Ordinance 2014-29 is attached to Ordinance Book #7 in the vault.]

VI. New Business:

VI.A. Adopt Ordinance 2014-34 Amending the Town of Morehead City Code of Ordinances, Chapter 8, Licenses, Permits and Business Regulations, Article VI, Taxicabs, Section 8-189 Duration

City Manager Whitlow reported that the Public Safety Committee of the Council met on September 3rd and discussed amending the City’s taxi ordinance regarding the need for a taxi and/or limited taxi service to appear before Council for a renewal of a Certificate of Convenience and Necessity every two [2] years. It was determined that if no formal written

complaints were received from the public during the preceding two [2] years and if the present franchise met all the other necessary requirements of the ordinance, the City Clerk could issue a renewed certificate for another two [2] years. The Public Safety Committee recommended the adoption of Ordinance 2014-34. This will simplify the process and save money from the advertising fee.

Councilman Taylor asked about the procedure if only oral complaints were received.

City Manager Whitlow replied that City staff would request that the individual place the complaints in writing.

Councilman Taylor commented that the current taxi ordinance specifies very extensive requirements and these would still be in effect.

Councilman Thompson MOVED, seconded by Councilman Taylor, and carried unanimously [Councilman Walker absent], to adopt Ordinance 2014-34 Amending the Town of Morehead City Code of Ordinances, Chapter 8, Licenses, Permits and Business Regulations, Article VI, Taxicabs, Section 8-189 Duration. [Ordinance 2014-34 is attached to Ordinance Book #7 in the vault.]

VI.B. Board of Adjustment Appointments

Mayor Jones reported that there are currently two [2] vacancies on the Board of Adjustment, an In-City Regular Member and an Extra-Territorial Jurisdiction Alternate Member. The Planning Committee of the Council discussed moving Sally Lumpkin to the In-City Regular Member seat and recommended Charles Sewell for appointment to the Board of Adjustment as an In-City Alternate Member. He lives in Country Club Run which would help distribute the Board Membership throughout the City.

Tripp Mudge currently serves as an Extra-Territorial Jurisdiction Alternate Member and desires to be reappointed. The Planning Committee concurred that the Council recommend to the Carteret County Commissioners to reappoint Tripp Mudge.

Councilwoman Warrender MOVED, seconded by Councilman Thompson, and carried unanimously [Councilman Walker absent], to agree with the recommendations of the Morehead City Planning Committee to appoint Sally Lumpkin as an In-City Regular Member of the Morehead City Board of Adjustment; appoint Charles Sewell as an In-City Alternate Member of the Morehead City Board of Adjustment; and recommend the re-appointment of Tripp Mudge as an Extra-Territorial Jurisdiction Alternate Member of the Morehead City Board of Adjustment to the Carteret County Board of Commissioners.

VI.C. Adopt Resolution 2014-41 Setting an Unassigned Fund Balance Policy

Councilwoman Warrender reported that over the past several months, the Finance Committee of the Council discussed the Council policy with regard to the unassigned fund balance. Around 1996/97, the Council became alarmed that its history of maintaining an insufficient amount of funding in the unassigned fund balance had left it in a precarious position. The fund balance over the preceding ten years had varied from under 1% of total budgeted expenditures to as much as 31%. During the same time, budgeted expenditures had grown from under \$2,000,000 to over \$4,000,000. At that time, the Council decided that setting a minimum fund balance policy would be prudent. After discussion, the Council set a policy that the fund balance should not be below \$2,000,000, with a preferred range of \$2 to 2,500,000. That policy has been the operative policy since 1997. Since 1997, the unassigned fund balance has been on a generally upward trend, moving from approximately \$1,000,000 to approximately \$4,000,000 in the past years.

The Local Government Commission [LGC] requires municipalities to maintain a fund balance of a minimum of 8% of total expenditures. Further, the LGC routinely notifies municipalities if their fund balance falls below 50% of the average peer group fund balance.

Councilwoman Warrender noted that the costs of running Morehead City for one [1] month, the fact that Morehead City was on the coast and was prone to hurricanes and

storms and that the City would like to take advantage of the “pay as you go” system for capital improvements was incentive for a higher unassigned fund balance.

The Finance Committee also believed that as the economy continues to improve, investment earnings will improve and this would allow the fund balance to generate a more significant portion of the current revenues, partially offsetting the need for higher tax increases.

The Finance Committee recommended that the Council consider a policy that would require a minimum unassigned fund balance in the range of \$2,500,000 to \$2,750,000.

Councilwoman Warrender MOVED, seconded by Councilman Taylor, and carried unanimously [Councilman Walker absent], to Adopt Resolution 2014-41 Setting an Unassigned Fund Balance Policy. [Resolution 2014-41 is attached to and made a part of these minutes herein by reference.]

VII. Citizen Requests/Comments [2 minute time limit]

Eric Broyles of the Morehead City/Beaufort Tea Party spoke about the amount of debt undertaken by Morehead City and the projects which the City has assumed which he felt were unnecessary. He spoke against the recent tax increase and the increase in the water/sewer rates. He concluded his comments by cutting up credit cards.

VIII. City Manager Report:

VIII.A. Contract Agreements between the Town of Morehead City and Carteret County to Provide Fire/EMS Services to the Mitchell Village/Crab Pointe and Wildwood Fire District

City Manager David Whitlow reported that the county and City have been working for the past 12 years to provide for Fire/EMS service to the Wildwood and CrabPoint/Mitchell Village areas. The contracts were ready to be executed. With the exception of the name of the district and the dollar amounts, the two [2] contracts are identical. The basic principles of the contracts are that Morehead City Fire/EMS Department would provide service to each district for ten [10] years, with an extension of the contract period for an additional ten [10] years. The contract amount is a fixed amount for operating expenses, with a provision to allow the Morehead City Fire/EMS Department to request additional funds for major equipment needs for service within the districts. This contract is a flat rate contract. It is City staff's belief that these contracts are advantageous for Morehead City and those residents in the fire districts. It would allow the City to better equate manpower and provide better services while also allowing the county to slightly reduce the tax rate. The capital costs involved would be supported by the county. The details are still being worked through such as converting over contracts for utilities, phone system, and inventory; certifications for individuals and equipment; and developing training standards and staffing; etc.

County funding is fixed for the first five [5] years, except for capital needs, and subject to a CPI [Consumer Price Index] adjustment in the sixth [6th] year and beyond. At the end of the ten [10] year period, terms will be renegotiated. Overall, the contracts are viewed by City staff as being a major step forward in the delivery of emergency services and a favorable approach for both Morehead City and the two [2] fire districts.

It is the request of the City staff that the Council approve the contracts. City Manager Whitlow recommended approval of the contract agreements. The service changeover will take effect on October 1, 2014. City Manager Whitlow commended the staff and Chief Fulk for all they had done to make this happen.

Councilman Taylor emphasized two [2] points, upfront savings to the Fire Districts as far as district fire rates were concerned and that the Morehead City Fire/EMS Department could restage equipment and manpower thereby saving costs and continue to meet fire standards. He continued that Chief Fulk and his staff deserved credit for making this happen for everyone.

Councilman Ballou echoed the points by Councilman Taylor and City Manager Whitlow.

Councilman Thompson noted that the City had the cooperation of the Carteret County Commissioners and it was a joint effort by everyone.

Councilman Ballou MOVED, seconded by Councilman Taylor, and carried unanimously [Councilman Walker absent] approved the Contract Agreements between the Town of Morehead City and Carteret County to Provide Fire/EMS Services to the Mitchell Village/Crab Pointe and Wildwood Fire District. [The contract agreements are attached to and made a part of these minutes herein by reference.]

VIII.B. Appointment of Acting City Manager

City Manager Whitlow will be out of the country and not accessible by either cell phone or email during much of the time from September 29 until October 16. Normally, should an emergency arise during his absence, contact can be made with a faster return to Morehead City if necessary. This will not be possible on this occasion.

§160A-149 of the General Statutes of North Carolina states: “By letter filed with the city clerk, the manager may designate, subject to the approval of the council, a qualified person to exercise the powers and perform the duties of manager during his temporary absence or disability. During this absence or disability, the council may revoke that designation at any time and appoint another to serve until the manager returns or his disability ceases.”

With the approval of the Council, City Manager Whitlow will be designating Ellen Sewell to serve as the Acting City Manager from September 29 until October 16, 2014. In addition to being in a position to know most of the activities and programs that are ongoing in Morehead City, Ms. Sewell is also a signatory for our various accounts, therefore not requiring additional signature cards with our banks.

The Council is requested to give approval to this appointment.

Councilwoman Warrender MOVED, seconded by Councilman Thompson, and carried unanimously, [Councilman Walker absent] to Appoint Finance Director Ellen Sewell as Acting City Manager in the City Manager’s absence. [Attached to and made a part of these minutes by reference is the letter from City Manager David S. Whitlow.]

VIII.C. Set a Public Meeting Date for Discussion of Highway 70 Project Median Option #3

City Manager Whitlow reported that over the spring and summer, City staff met with identified persons and organizations that had expressed concerns both for and against the proposed options for design and construction of medians on Route 70. City Staff received a number of comments and questions that have been discussed with representatives of the North Carolina Department of Transportation [NCDOT]. At this time a public meeting should be called so that the Council can receive comments and determine whether it wishes to adopt a resolution supporting Option #3 or not. Should the Council support this option or any other, NCDOT is prepared to move the project forward and get it under contract before June 30, 2014. If Council determines that it does not want to go forward, NCDOT will not proceed with the project. However, if that is the option that Council chooses, any future efforts to make this type of improvement will have to compete with other state, regional and local projects for funding, with no guarantee that funding will be available.

The suggested dates were: Monday, October 20; Monday, October 27; Tuesday, October 28; Wednesday, October 29; Monday, November 3.

Councilman Taylor asked about the status of Option 3 and if any addition comments were received.

City Manager Whitlow stated that the comments from Parkway Baptist Church were that they were fine with the option. The storage business had a slight modification to bring

the median more to the east, one [1] or two [2] other businesses were against any kind of median, and one [1] business was in favor of the median from Neuse Avenue to Friendly Road. A resident from Sound Drive was opposed to anything happening there because of possible subsequent traffic flow in the residential area. He then elaborated on the plans of Option #3 which is a reduction of about 75 percent of the medians from the original proposal. Option #3 places the medians where there are the most traffic accidents.

City Manager Whitlow continued that if the funds are not committed by June 30, 2015 to the project, the funding will disappear. These are specific highway safety funds and can only be used for that specific purpose.

By consensus the Council [Councilman Walker absent] agreed to hold the public meeting for discussion of Highway 70 Median Option #3 for Monday, October 20, 2014, at 7:00 p.m., in the Council Chambers located at 202 South 8th Street, Morehead City, N.C.

IX. Council Requests/Comments

- X. CLOSED SESSION as per G.S. 143.318.11[a][6] to approve the CLOSED SESSION MINUTES of Tuesday, July 8, 2014, and to Conduct City Manager David S. Whitlow's Annual Evaluation**

Councilman Taylor MOVED, seconded by Councilwoman Warrender, and carried unanimously [Councilman Walker absent], to enter into CLOSED SESSION.

Councilman Ballou MOVED, seconded by Councilman Thompson, and carried unanimously [Councilman Walker absent], to return to OPEN SESSION.

Councilwoman Warrender MOVED, seconded by Councilman Taylor, and carried unanimously [Councilman Walker absent], to approve and release Items # 1 and 2 of the Tuesday, July 8, 2014 CLOSED SESSION MINUTES and approve a 9.26 percent increase in compensation for City Manager David S. Whitlow.

XI. Adjournment

There being no further business, the meeting was adjourned at 7:40 p.m.

Gerald A. Jones, Jr., Mayor

Attest:

Jeanne M. Giblin, City Clerk